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BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of  
VERILINK CORPORATION

Petition for Rulemaking to Amend  
the Commission's Part 68 Rules  
to Authorize Regulated Carriers  
to Provide Certain Line Build Out  
Functionality as a Part of Regulated  
Network Equipment on Customer Premises

RM-8158

TO: The Commission

REPLY COMMENTS OF SOUTHWESTERN BELL TELEPHONE COMPANY

Southwestern Bell Telephone Company ("SWBT"), by its attorneys and pursuant to Commission Rule 1.405(b),<sup>1</sup> respectfully submits its Reply Comments in the above-captioned proceeding regarding Line Build Out ("LBO") functionality. The Petition for Rulemaking ("Petition") of Verilink Corporation ("Verilink") has justifiably received near unanimous support<sup>2</sup> and should be granted despite a lone dissenter's overstated objections.<sup>3</sup>

SWBT earlier stated that Verilink's proposal would allow SWBT and other carriers to ensure in a more efficient manner that the signal received by the customer would have the best

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<sup>1</sup> 47 C.F.R. Section 1.405(b).

<sup>2</sup> See, Comments of the Ameritech Operating Companies ("Ameritech"), the Bell Atlantic Telephone Companies ("Bell Atlantic"), BellSouth Telecommunications, Inc. ("BellSouth"), GTE Service Corporation ("GTE"), Integrated Network Corporation ("Integrated"), Larus Corporation ("Larus"), the NYNEX Telephone Companies ("NYNEX"), the Pacific Companies ("Pacific"), PairGain Technologies, Inc. ("PairGain"), and SWBT.

<sup>3</sup> See, Comments of the Independent Data Communications Manufacturers Association ("IDCMA").

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transmission quality, at no incremental cost to the customer and without any adverse impact on CPE competition.<sup>4</sup> Other commentators agree that adopting Verilink's proposal would result in significant benefits without prejudice to any party's legitimate interests. In particular, commentators have pointed out that it would:

- \* eliminate the costly, time-consuming, and service-disruptive effects caused by the "joint engineering" requirement and customer-misadjusted LBO settings;<sup>5</sup>
- \* promote network integrity and customer satisfaction;<sup>6</sup>
- \* have no adverse impact on CPE competition;<sup>7</sup>
- \* result in no increased costs to CPE manufacturers and users, but may actually reduce such costs;<sup>8</sup> and
- \* allow carriers to employ the LBO currently permitted for loopback testing purposes to also provide signal level attenuation for customer generated signals.<sup>9</sup>

These benefits provide compelling support for initiating a rulemaking proceeding.

In spite of these benefits, IDCMA attempts to erect roadblocks to the Commission's consideration of the substantive

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<sup>4</sup> Comments of SWBT, at 1, 7.

<sup>5</sup> See, e.g., Comments of Ameritech at 2, Bell Atlantic at 2, Bell Atlantic at 2, BellSouth at 3, GTE at 4, Integrated at 4-5, Larus at 1, NYNEX at 2-3, Pacific at 2-3, PairGain at 1-2, and SWBT at 4-5.

<sup>6</sup> See, e.g., Comments of Ameritech at 2, Bell Atlantic at 4, BellSouth at 7, GTE at 4, Integrated at 5, and SWBT at 6-7.

<sup>7</sup> See, e.g., Comments of Ameritech at 2, Bell Atlantic at 2, BellSouth at 6, Integrated at 8, Larus at 1, PairGain at 2, and SWBT at 6.

<sup>8</sup> See, e.g., Comments of Ameritech at 2, BellSouth at 5-6, and SWBT at 5.

<sup>9</sup> See, e.g., BellSouth at 6, Pacific at 4, and SWBT at 6.

issues. It claims that the concerns sought to be resolved by Verilink's "misguided and unpersuasive" petition are merely "unsubstantiated and improbable statements," that Verilink's request to allow LBO functionality to migrate to the network is procedurally deficient, and that adopting Verilink's proposal would somehow make the Commission subservient to ANSI Committee T1.<sup>10</sup> These arguments are without merit.

Contrary to IDCMA's assertion, the concerns noted by Verilink are corroborated, substantial and real. As SWBT and all other commentors have made clear,<sup>11</sup> the joint engineering requirement unnecessarily places responsibility for signal level coordination on the telephone company and the customer. Further, customer misadjustments of LBO settings cause time-consuming and costly trouble reports and disruption of service to third parties. Such concerns are matters the Commission should consider, notwithstanding IDCMA's attempt to predispose the Commission to dismiss them.<sup>12</sup>

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<sup>10</sup> Comments of IDCMA at ii, 9 and 11.

<sup>11</sup> See, notes 5-7, infra.

<sup>12</sup> IDCMA's statement that the Commission has "rejected attempts to migrate LBO functionality from CPE to a carrier-provided, customer-premises network device," Comments of IDCMA at 3, is just such an attempt. When the Commission denied BellSouth's Petition For Waiver, it merely observed that if it were to grant that request other carriers likely would file similar waiver requests. Thus, while the Commission denied the requests, it also indicated its willingness to undertake the very proceeding Verilink now seeks: "While we believe the issue of revising Part 68 to reflect an alternative interface standard may constitute a matter worthy of consideration, the proper vehicle for such consideration is a rulemaking proceeding. Rulemaking serves as the regulatory process by which changes of broad applicability in Commission policy or  
(continued...)

IDCMA also reads Verilink's Petition too narrowly in claiming that it merely proposes certain rule changes which, even if granted, would not cause LBO functionalities to migrate to the network. Verilink's Petition (indeed, its caption) clearly requests that Part 68 rules be amended to authorize such migration. Its further position that Section 68.308(h)(2) also should be amended to require that terminal equipment output pulse templates deliver a single 0 dB output pulse is but a part of its overall request and is entirely consistent with it. Simply put, Verilink and all others recognize that a rule requiring that CPE contain only a 0 dB setting also would be accompanied by a rule (or Commission Order) permitting LBO functionality to migrate to the network, and that Verilink's petition seeks both.

IDCMA's other procedural criticism rests on its claims that the action sought by Verilink requires a waiver, and that Verilink may lack standing to request one. Neither criticism is valid. The Commission's BellSouth Order specifically invited a rulemaking proceeding.<sup>13</sup> Even assuming otherwise, Verilink's petition reflects that its business interests have been directly and adversely affected by the current regulatory treatment of LBO, and that such harm will continue absent Commission action. Such a

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<sup>12</sup>(...continued)  
regulations may be adopted. In the Matter of BellSouth's Petition for Declaratory Ruling or, Alternatively, Request for Limited Waiver of the CPE Rules to Provide Line Build Out Functionality As A Component of Regulated Network Interface Connectors on Customer Premises ("BellSouth Order"), 6 FCC Rcd 3336 (1991), at para. 28. (emphasis added).

<sup>13</sup> Id.

showing generally confers standing to request judicial review of agency action,<sup>14</sup> and no other or greater showing should be required in the instant proceedings.

Lastly, adoption of Verilink's proposal would not mean that the Commission had succumbed to the temptation to "mold its rules around ANSI Committee T1 standards development," as IDCMA claims.<sup>15</sup> Verilink has merely suggested that the Commission adopt a "practical approach" to implementing ANSI standard T1.403 and curing the problems that precipitated the standard's formulation and Verilink's Petition.<sup>16</sup> In any event, this criticism once again fails to reach the Petition's merits, much less detract from them. Nor does it recognize that the Commission's rules frequently rely on standards arrived at by voluntary private industry groups where such reliance is otherwise in the public interest.<sup>17</sup> The Commission does not operate in a vacuum and should not be expected to do so here.

Significantly, IDCMA does not claim that its or any of its members' competitive interests would be harmed by adopting the proposal Verilink advances. On the other hand, Verilink stated that its proposal would not impede any CPE manufacturer's

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<sup>14</sup> 5 U.S.C. Section 702.

<sup>15</sup> Comments of IDCMA at 11.

<sup>16</sup> Petition at 2.

<sup>17</sup> See, e.g., 47 C.F.R. Section 1.1307(b) (compliance with certain environmental assessment regulations involving radio frequency radiation is measured by reference to ANSI standards); 47 C.F.R. Section 68.316 (hearing aid-compatibility of telephone handsets is measured by reference to Electronic Industries Association standards).

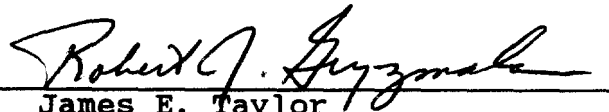
competitive position and, in fact, would eliminate substantial inefficiencies and unnecessary costs.<sup>18</sup> IDCMA's omission is as significant as Verilink's specific mention, because as SWBT pointed out,<sup>19</sup> the Commission has sought to further a competitive CPE market. Verilink's evidence is undisputed that this goal would be advanced were the Commission to adopt its proposal.

For these reasons, SWBT urges the Commission to grant Verilink's Petition. Specifically, the Commission should initiate a rulemaking proceeding proposing to authorize carriers to provide LBO functionality as a component of regulated network interface connectors in providing DS1 services and to amend such Part 68 Rules as would be consistent therewith.

Respectfully submitted,

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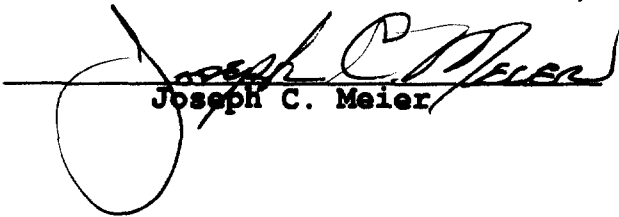
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<sup>18</sup> Petition at 14.

<sup>19</sup> Comments of SWBT at 6.

CERTIFICATE OF SERVICE

I, Joseph Meier, hereby certify that the foregoing "Reply Comments Of Southwestern Bell Telephone Company" in File No. RM - 8158, has been served this 23rd day of February, 1993 to the Parties of Record.

  
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